

WC 06-193

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matters of

BROADWING CORPORATION,
Transferor,

LEVEL 3 COMMUNICATIONS, LLC,
Transferee,

and

BROADWING COMMUNICATIONS, LLC,
Authorization Holder,

Application for Consent to Transfer Control
of Authority to Provide Global Facilities-
Based and Global Resale International
Telecommunications Services and of Domestic
Common Carrier Transmission Lines, Pursuant
to Section 214 of the Communications Act of
1934, as Amended

File No. ITC-T/C-200610 -

WC Docket No. 06-

FCC/MELLON
OCT 17 2006

**CONSOLIDATED APPLICATION —
STREAMLINED PROCESSING REQUESTED**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"), and Sections 63.04 and 63.18(e)(3) of the Commission's rules, Broadwing Corporation ("Broadwing Parent") (FRN No. 0015608334), and Level 3 Communications, LLC ("Level 3 LLC") (FRN No. 0008085136), request that the Commission consent to Level 3's acquisition of Broadwing Parent, including the transfer of control—from Broadwing Parent's existing shareholders to Level 3 LLC—of the international Section 214 authorization for global facilities-based and global resale services and domestic common-carrier transmission lines of Broadwing Communications, LLC ("Broadwing") (FRN No. 0008599706) (collectively, with Broadwing

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Parent and Level 3 LLC, “Applicants”).¹ Level 3 LLC and its affiliates (collectively, “Level 3”) have entered into an agreement with Broadwing Parent to acquire all of Broadwing Parent’s telecommunications businesses by purchasing all of Broadwing Parent’s outstanding shares (“Proposed Transaction”). This consolidated application qualifies for presumptive streamlined processing under Sections 63.03(b)(2)(i) and 63.12 of the Commission’s rules, and the Applicants therefore request such treatment.²

I. BACKGROUND

A. Parties to the Proposed Transaction

Broadwing Corporation. Broadwing Parent is a Delaware corporation with its principal place of business in Austin, Texas. Broadwing Parent is a holding company with two principal operating subsidiaries: (1) Broadwing (described below), and (2) Corvis Equipment, LLC, a developer of advanced optical networking equipment selling primarily to the U.S. Government. Broadwing Parent’s shares are publicly traded on NASDAQ (symbol: BWNG).

Broadwing Communications, LLC. Broadwing is a Delaware limited-liability company with its principal place of business in Austin, Texas. Broadwing operates a nationwide all-optical network serving customers in all 50 states and the District of Columbia. Broadwing employs this network to provide data, video, and voice (local, intrastate, and interstate) services to enterprises, carriers, government agencies, and some residential consumers.³ Broadwing is

¹ See 47 U.S.C. § 214; 47 C.F.R. §§ 63.04, 63.18(e)(3). Section 63.04(b) of the Commission’s rules permits the Applicants to file a joint transfer and/or assignment applications for domestic and international Section 214 authorizations. See also *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and Order*, 17 FCC Rcd. 5517 (2002).

² See 47 C.F.R. §§ 63.03, 63.12.

³ The Applicants provide Broadwing’s Comprehensive Network Map in Attachment A and its Transport Network Map in Attachment B.

not regulated by the Commission as dominant for the provision of any service. At present, Broadwing Parent indirectly owns 98 percent of Broadwing's member interests; the minority two-percent interest will be extinguished prior to closing via merger or purchase.⁴

Level 3 Communications, LLC. Level 3 LLC is a Delaware limited-liability company headquartered in Broomfield, Colorado, and engages in the provision of domestic and international communications and information services. Level 3 is an indirect, wholly-owned subsidiary of Level 3 Communications, Inc. ("Level 3 Parent").

Level 3 Communications, Inc. Level 3 Parent is a Delaware corporation headquartered in Broomfield, Colorado, and a global communications and information services company that offers, through its operating subsidiaries, a wide range of communications services over its 33,000-mile broadband fiber optic network in North America, Europe, and Asia, including Internet-protocol-based services, broadband transport, collocation services, and patented Softswitch-based managed modem and voice services. Level 3's operating subsidiaries hold numerous Commission authorizations for international telecommunications services, undersea cable facilities, satellite earth stations, and terrestrial wireless facilities. Level 3 is a publicly-traded company listed on NASDAQ (symbol: LVLT).

Level 3 Services, LLC. Level 3 Services, LLC ("Level 3 Services"), is a Delaware limited-liability company established by Level 3 for the purpose of merging with Broadwing Parent and offers no services. Level 3 Colorado is a wholly-owned, direct subsidiary of Level 3 Parent. Following the consummation of the Proposed Transaction, it will be a wholly-owned, direct subsidiary of Level 3 LLC.

⁴ In Attachment C, the Applicants provide a diagram showing the organizational structure of Level 3 Parent, Broadwing Parent, and their relevant subsidiaries.

B. The Proposed Transaction

On October 16, 2006, Broadwing Parent, Level 3 Parent, Level 3 LLC, and Level 3 Services entered into an Agreement and Plan of Merger (“Agreement”) to allow Level 3 Parent to acquire all of the outstanding shares of Broadwing Parent (subject to shareholder approval) and, therefore, control of Broadwing, including: (1) Broadwing’s international Section 214 authorization for global facilities-based and global resale services; and (2) Broadwing’s domestic common-carrier transmission lines. The parties anticipate consummating the Proposed Transaction by the end of 2006.

Under terms of the Agreement, Level 3 Parent will acquire all of Broadwing Parent’s outstanding shares by paying total consideration of approximately \$1.4 billion, consisting of approximately \$656 million in shares of Level 3 Parent common stock (with the exact amount depending on Level 3 Parent’s share price around the time of consummation) and \$744 million in cash. Broadwing Parent’s shareholders will receive 1.3411 shares of Level 3 Parent stock and \$8.18 cash for each share of Broadwing Parent Stock. Level 3 Services will assume Broadwing Parent’s liabilities, amounting to \$180 million, at closing. Level 3 will acquire Broadwing Parent in a simultaneous three-step transaction.

First, Broadwing Parent will merge with Level 3 Services, with Level 3 Services surviving.⁵ *Second*, Level 3 will immediately contribute all of its membership interest in Level 3 Colorado to Level 3 Financing, Inc. (“Level 3 Financing”), another Level 3 direct subsidiary.⁶ *Third*, Level 3 Financing will contribute all of the membership interest in Level 3 Services to Level 3 LLC, at which time Level 3 Services may be renamed.⁷ Following the completion of

⁵ See Attachment D.

⁶ See Attachment E.

⁷ See Attachment F.

these three steps, Level 3 Services will then be a direct subsidiary of Level 3 LLC, and Broadwing will be an indirect, wholly-owned subsidiary of Level 3 LLC.⁸ Following consummation of the Proposed Transaction, Broadwing will operate its facilities and provide service to its existing customers at the same rates, terms, and conditions, and under the Broadwing brand name, ensuring a seamless transition for those customers.

Consummation of the Proposed Transaction will dilute the interests of existing Level 3 Parent stockholders through the issuance of new shares to Broadwing Parent's existing shareholders and convertible debenture holders. Although Broadwing Parent's existing shareholders will gain aggregate equity and voting interests in Level 3 Parent of approximately 12 percent on a pre-transaction basis following consummation of the Proposed Transaction (with the exact percentage depending on Level 3 Parent's share price around the time of consummation), no existing stockholder or controlling group of stockholders of Broadwing Parent will have a 10-percent-or-greater direct or indirect interest in Level 3 Parent or Level 3 LLC as a consequence of the Proposed Transaction. *See* part III(h) below.

Level 3's acquisition of Broadwing Parent and its subsidiaries will strengthen and expand Level 3's customer service offerings and networks. The acquisition also will allow Level 3 to compete more effectively with other carriers in the market. In addition, the metropolitan networks maintained by Broadwing will allow Level 3 to offer new services to new locations in existing markets and will expand the reach of the Level 3 backbone network. The Proposed Transaction therefore facilitates the Commission's long-standing goal of fostering facilities-based competition. Approval of this transfer-of-control application will serve the public interest, convenience, and necessity.

⁸ *See* Attachment G.

II. MARKET ANALYSIS

A. LOCAL EXCHANGE AND EXCHANGE ACCESS SERVICES

The Proposed Transaction will have a negligible impact on any participant's share of the local-exchange and exchange-access market segments. Broadwing Parent's operating subsidiaries are small participants in the local-exchange and exchange-access markets, where they compete with unaffiliated dominant local exchange carriers ("LECs") in their respective geographic markets. In 2005, Broadwing Parent's operating subsidiaries generated approximately \$212 million from the sale of local services.⁹ As such, total local exchange and exchange access revenues for Broadwing Parent's operating subsidiaries account for less than one percent of all nationwide local exchange and exchange access revenues.¹⁰

Level 3's operating subsidiaries are also small participants in the local-exchange and exchange-access markets, and they also compete with unaffiliated dominant LEC in the LECs' respective geographic markets. Even if Level 3 derived all of the communications revenue (excluding interexchange revenue and reciprocal compensation revenue) reported in the 2005 10-K for Level 3 Communications, Inc., from local-exchange and exchange-access services (when in fact, it derived only a fraction of its revenues from such services), Level 3's revenues would

⁹ See Broadwing Corporation, 2005 Form 10K, Item 7.

¹⁰ See FCC, STATISTICS OF COMMUNICATIONS COMMON CARRIERS, at 154, Tbl. 5.20 (2004/2005 ed.) ("*Statistics of Communications Common Carriers*") (providing nationwide 2003 data); FCC, TRENDS IN TELEPHONY SERVICE, at 8-11, Tbl. 8.7 (2005) ("*Trends in Telephony Service*") (providing nationwide 2003 data). A direct year-to-year comparison is not possible, as the FCC's reports do not include 2005 data.

likely account for less than one percent of all nationwide local exchange and exchange access revenues.¹¹

Thus, the Proposed Transaction will have a negligible impact on the local-exchange and exchange-access market segments, particularly given the presence of dominant incumbent LECs. The participants' combined revenues in those segments total less than one percent of nationwide total revenues in those segments, and the surviving entities will continue to compete with dominant LECs in the LECs' home regions.

B. INTERSTATE INTEREXCHANGE SERVICES

The Proposed Transaction will have a negligible impact on any participant's share of the interstate interexchange market segment, as Broadwing Parent's operating subsidiaries and Level 3's operating subsidiaries are insignificant participants in the market for interstate interexchange services. In 2003—the most recent year for which FCC toll revenue data are publicly available—Broadwing Parent's operating subsidiaries recorded toll revenues (only a portion of which were interstate interexchange revenues) totaling approximately \$310 million, and Level 3's toll revenues (only a portion of which are interstate interexchange revenues) were slightly over \$1.246 billion.¹² By comparison, total industry-wide toll revenues for all carriers in 2003 exceeded \$77 billion, and total revenues for all non-LEC, non-wireless toll service providers exceeded \$56 billion.¹³ Thus, even assuming that all toll revenues generated by Broadwing Parent's operating subsidiaries and by Level 3 were interstate interexchange revenues (and they

¹¹ See Level 3 Communications, Inc., 2005 Form 10K, Item 7; STATISTICS OF COMMUNICATIONS COMMON CARRIERS, at 154, Tbl. 5.20; TRENDS IN TELEPHONY SERVICE, at 8-11, Tbl. 8.7. Again, a direct year-to-year comparison is not possible, as the FCC's reports do not include 2005 data.

¹² See TRENDS IN TELEPHONY SERVICE, at 9-5, Tbl. 9.1. The total figure for Level 3 includes revenues from WiTel Communications, LLC, which Level 3 acquired in 2005.

¹³ *Id.*

are not), the combined interexchange revenues would amount to less than three percent of total industry-wide toll revenues, and only two percent if all non-LEC, non-wireless toll services are included. Neither Broadwing nor Level 3 LLC nor any affiliate of Broadwing or Level 3 LLC is regulated as dominant for the provision of any service.

III. INFORMATION REQUIRED BY SECTION 63.18 OF THE COMMISSION'S RULES REGARDING THE TRANSFER OF CONTROL TO LEVEL 3 LLC OF BROADWING'S INTERNATIONAL SECTION 214 AUTHORIZATION FOR GLOBAL FACILITIES-BASED AND GLOBAL RESALE SERVICES

Pursuant to Section 63.18 of the Commission's rules, the Applicants provide the following information in support of their request for consent to transfer control of Broadwing's international Section 214 authorization to Level 3 LLC:

- (a) The name, address, and telephone number of the Applicants are:

Transferor/Licensee

BROADWING CORPORATION
BROADWING COMMUNICATIONS, LLC
1122 Capital of Texas Highway South
Austin, Texas 78746-6426
+1 512 742 3700 tel

Transferee

LEVEL 3 COMMUNICATIONS, LLC
1025 Eldorado Boulevard
Broomfield, Colorado 80021
+1 720 888 2516 tel

- (b) Broadwing Parent is a corporation organized under the laws of the State of Delaware. Both Broadwing and Level 3 LLC are limited-liability companies organized under the laws of the State of Delaware.

- (c) Correspondence concerning this application should be sent to:

Transferor/Licensee

Lawrence E. Strickling
Chief Regulatory and
Chief Compliance Officer
BROADWING CORPORATION
BROADWING COMMUNICATIONS, LLC
200 North LaSalle Street, Suite 1000
Chicago, Illinois 60601
+1 312 895 4040 tel

Transferee

William P. Hunt, III
Vice President, Public Policy
LEVEL 3 COMMUNICATIONS, LLC
1025 Eldorado Boulevard
Broomfield, Colorado 80021
+1 720 888 2516 tel

with a copy to:

Kent D. Bressie
HARRIS, WILTSHIRE & GRANNIS LLP
1200 18th Street, N.W., Suite 1200
Washington, D.C. 20036-2560
+1 202 730 1337 tel
+1 202 730 1301 fax
kbressie@harriswiltshire.com

*Counsel for Broadwing Corporation, Broadwing Communications, LLC, and
Level 3 Communications, LLC*

(d) Broadwing holds a single international Section 214 authorization for the provision of global facilities-based and global resale services.¹⁴ The Commission has granted international Section 214 authority to seven wholly-owned, indirect subsidiaries of Level 3—Level 3 Communications, LLC; Level 3 International, Inc.; WilTel Communications, LLC; Vyvx, LLC; ICG Telecom Group, Inc.; Looking Glass Networks Holding Co., Inc.; and TelCove, Inc.—to provide global facilities-based and global resale services between the United States and

¹⁴ See *International Authorizations Granted, Public Notice*, 18 FCC Rcd. 6541, 6542 (2003); FCC File No. ITC-214-20030313-00134. The Commission issued the authorization to C III Communications Operations, LLC. On March 8, 2004, CIII Communications Operations, LLC notified the Commission that it had changed its name to Broadwing Communications, LLC. See *International Authorizations Granted, Public Notice*, 19 FCC Rcd. 6161, 6564 (2004).

international points.¹⁵ The Commission has not regulated any of the Level 3 operating subsidiaries as dominant for the provision of any service on any international route.

(e)(3) The Applicants seek Commission consent to transfer control of Broadwing's international Section 214 authorization, as listed in part II(d) above.

(f) No response is required.

(g) No response is required.

(h) Broadwing will become a wholly-owned, direct subsidiary of Level 3 LLC following consummation of the Proposed Transaction. Level 3 LLC is a Delaware limited-liability company headquartered in Broomfield, Colorado, and engages in the provision of domestic and international communications and information services. Level 3 LLC's address is 1025 Eldorado Boulevard, Broomfield, Colorado 80021.

Level 3 LLC is a wholly-owned subsidiary of Level 3 Financing, a Delaware corporation engaged in the business of providing managed information technology infrastructure services across a variety of platforms. Level 3 Financing's address is 1025 Eldorado Boulevard, Broomfield, Colorado 80021.

Level 3 Financing, in turn, is a wholly-owned subsidiary of Level 3, as described in part I.A above. The address of Level 3, is 1025 Eldorado Boulevard, Broomfield, Colorado 80021. Level 3 has no controlling shareholder or group of shareholders exercising common control.

Only one party holds a ten-percent-or-greater direct or indirect interest in Level 3 Parent: Southeastern Asset Management, Inc. ("SAM"). SAM is a Tennessee corporation engaged in the

¹⁵ See FCC File No. ITC-214-19971229-00821 (previously FCC File No. ITC-98-016) (Level 3 Communications, LLC); FCC File No. ITC-214-19981214-00867 (Level 3 International, Inc.); File No. ITC-214-19970115-00025 (WiTel Communications, LLC); FCC File No. ITC-214-20050907-00365 (Vyvx, LLC); FCC File No. ITC-T/C-20060417-00237 (ICG);

business of providing investment advisory services and located at 6410 Poplar Avenue, Suite 900, Memphis, Tennessee 38119. SAM holds sole or shared voting rights for 13.09 percent of outstanding shares of Level 3 Parent that are otherwise owned by other entities for whom SAM acts as an investment advisor. None of SAM's owners holds a ten-percent-or-greater direct or indirect interest in Level 3 Parent. No existing shareholder or controlling group of shareholders of Broadwing will have a 10-percent-or-greater direct or indirect interest in Level 3 Parent or Level 3 LLC as a consequence of the Proposed Transaction.

Level 3 has the following interlocking directorates with foreign carriers:

- Brian Hedlund, who is an Assistant Secretary of Level 3, is also a Secretary of Level 3 Communications (Austria) Limited, a Secretary of Level 3 Communications (Denmark) Limited, a Secretary of Level 3 Communications Ltd. (Ireland), and a Secretary of Level 3 Communications Limited (United Kingdom);
- Andrew E. Ottinger, Jr., who is Vice President of Level 3, is also a Secretary of Level 3 Communications Limited (United Kingdom) and an Assistant Secretary of Level 3 Communications Ltd. (Ireland); and
- Robert M. Yates, who is a Senior Vice President and Assistant General Counsel of Level 3, is also is a Director of Level 3 Communications (Austria) Limited, a Director of Level 3 Communications S.A. (Belgium), a Director of Level 3 Communications (Denmark) Limited, a Director of Level 3 Communications S.A.S. (France), a Director of Level 3 Communications GmbH (Germany), a Director of Level 3 Communications Ltd. (Ireland), a Director of Level 3 Communications S.R.L. (Italy), a Director of Level 3 Communications B.V. (the Netherlands), a Director of Level 3 Communications SLU (Spain), a Director of Level 3 Communications A.B. (Sweden), a Director of Level 3 Communications Limited (United Kingdom), and a Director of Level 3 Communications GmbH Sp. 7.o.o. (Polish affiliate of Level 3 Communications GmbH (Germany)).

(i) By the attached certification, Level 3 certifies that it is affiliated with the following foreign carriers: (1) Level 3 Communications (Austria) Limited; (2) Level 3 Communications S.A. (Belgium); (3) Williams Communications Network, Inc. (Canada); (4)

FCC File No. ITC-214-20000612-00357 (Looking Glass); FCC File No. ITC-214-19971128-00747 (TelCove).

Level 3 Communications s.r.o. (Czech Republic); (5) Level 3 Communications (Denmark) Limited; (6) Level 3 Communications S.A.S. (France); (7) Level 3 Communications GmbH (Germany); (8) Level 3 Communications Ltd. (Ireland); (9) Level 3 Communications S.R.L. (Italy); (10) WilTel Communications K.K. (Japan); (11) Level 3 Communications B.V. (the Netherlands); (12) WilTel Communications (Cayman) Limited (Netherlands); (13) the Warsaw branch office of Level 3 Communications GmbH (Poland); (14) Level 3 Communications SLU (Spain); (15) Level 3 Communications A.B. (Sweden); (16) Level 3 Communications AG (Switzerland); (17) Level 3 Communications Limited (United Kingdom); and (18) Williams Communications UK Limited (collectively, "Level 3 Foreign Carrier Affiliates").¹⁶ All of the Level 3 Foreign Carrier Affiliates are located in destination markets that are World Trade Organization ("WTO") Members.¹⁷ Following the consummation of the Proposed Transaction, Level 3 will also be affiliated with Broadwing Communications Canada, LLC (Canada) ("Broadwing Canada").

(j) By the attached certification, Level 3 certifies that it seeks to provide international telecommunications services from the United States to the destination countries listed in Paragraph (i) above in which Level 3 controls a foreign carrier, or will do so following the consummation of the Proposed Transaction.

(k) The destination foreign countries listed in Paragraph (i) above are all WTO Members.¹⁸

¹⁶ Although WilTel Communications (Cayman) Limited is organized in the Cayman Islands, it is authorized to provide telecommunications services in the Netherlands.

¹⁷ See FCC File Nos. FCN-NEW-20060127-00012, FCN-NEW-20060124-00005, FCN-NEW-20060124-00004, FCN-NEW-20051102-00032, FCN-NEW-20051102-00031, FCN-NEW-20020415-00022, FCN-NEW-20000214-00007, and FCN-NEW-20000214-00006.

¹⁸ See World Trade Organization, *Members and Observers* (2005), available at http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm.

(l) On routes between the United States and the foreign countries identified in Paragraph (i) above, the Level 3 Foreign Carrier Affiliates and Broadwing Canada each satisfy the requirement of Section 63.10(a)(3) of the Commission's rules.¹⁹ The Level 3 Foreign Carrier Affiliates and Broadwing Canada each hold significantly less than a 50-percent market share in the international transport and local access markets in its respective country. Moreover, neither any of the Level 3 Foreign Carrier Affiliates nor Broadwing Canada has any ability to discriminate against unaffiliated U.S. international carriers through the control of bottleneck services or facilities in its respective international market. Neither any of the Level 3 Foreign Carrier Affiliates nor Broadwing Canada appears on the Commission's list of foreign telecommunications carriers presumed to possess market power in foreign telecommunications markets.²⁰ Accordingly, the Level 3 Foreign Carrier Affiliates and Broadwing Canada are each presumed to lack sufficient market power on the international end of the route to affect competition adversely in the U.S. market.

(m) Level 3 qualifies for non-dominant status for all foreign routes based upon the information set forth in Paragraph (l) above.

(n) By the attached certification, Level 3 certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.

¹⁹ See 47 C.F.R. § 63.10(a)(3).

²⁰ See *International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, 19 FCC Rcd. 20,358 (Int'l Bur. 2004) ("Presumed Market Power List").

(o) By the attached certification, Level 3 certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.²¹

(p) The Applicants seek streamlined processing of this request for consent to transfer control of Broadwing's international Section 214 authorization under Section 63.12 of the Commission's rules because: (1) the destination markets of the Level 3 Foreign Carrier Affiliates and Broadwing Canada (listed in paragraph (i) above) are all WTO Member countries, as demonstrated in (f) above, and the Level 3 Foreign Carrier Affiliates and Broadwing Canada each lack sufficient market power to affect competition adversely in the U.S. market, and (2) neither Level 3 LLC nor Broadwing is affiliated with a dominant U.S. carrier.

IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES REGARDING THE TRANSFER OF CONTROL TO LEVEL 3 OF BROADWING'S DOMESTIC COMMON-CARRIER TRANSMISSION LINES

The Applicants submit the following information, pursuant to Section 63.04 of the Commission's rules, in support of the Applicants' request for consent to transfer control to Level 3 LLC of Broadwing's domestic common-carrier transmission lines:

(a)(1) See response to part III(a) above for the names, addresses, and telephone numbers of the Applicants.

(a)(2) See response to part I.A above for the state laws under which Broadwing Parent, Broadwing, and Level 3 LLC are organized.

(a)(3) See response to part III(c) above for the contact information to whom correspondence concerning this application should be addressed.

²¹ See 21 U.S.C. § 853(a).

(a)(4) See response to part III(h) above for a list of persons or entities that directly or indirectly own at least 10 percent of the equity of Level 3 LLC, and the percentage of equity owned by each of those entities.

(a)(5) By the attached signature, Level 3 LLC certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.

(a)(6) The Applicants set forth a complete description of the Proposed Transaction in part I.B above.

(a)(7) Broadwing provides domestic interstate, intrastate, and local exchange service and international telecommunications and information services in 50 states and the District of Columbia, as described in part I.A above. Level 3's operating subsidiaries provide domestic interstate, intrastate, and local exchange services throughout the United States, as well as international telecommunications and information services throughout the United States. To the extent Level 3's operating subsidiaries offer domestic interstate common carrier services (including private line services), they do so pursuant to their blanket domestic Section 214 authorization under Section 63.01 of the Commission's rules.

(a)(8) The request for consent to transfer control to Level 3 LLC of Broadwing's domestic common carrier lines qualifies for presumptive streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because the Proposed Transaction will not create any acquisition-specific effects in any interexchange or local exchange market. Following consummation of the Proposed Transaction, Level 3 will continue to have a market share in the interstate, interexchange market of less than ten percent.²² Although Level 3 provides exchange

²² See 47 C.F.R. § 63.03(b)(2).

access services in the areas served by Broadwing, the geographic areas in which Level 3 and Broadwing each provide such services are served by a dominant local exchange carrier that is not a party to the Proposed Transaction.²³ Neither Broadwing nor Level 3 LLC or any Level 3 LLC affiliate is dominant with respect to any service.²⁴

(a)(9) Concurrent with the request in part VI of this application, the Applicants have applied for Commission consent to transfer control of Broadwing's international Section 214 authorization to Level 3 LLC.

(a)(10) The Applicants request expedited consideration of this application to allow for consummation of the Proposed Transaction by the end of 2006.

(a)(11) The Applicants have not filed any waiver requests in conjunction with this transaction.

(a)(12) The Proposed Transaction will yield affirmative public interest benefits. Grant of this application will enable Level 3 LLC to expand its local footprint and provide Broadwing and Level 3 access to each others' complementary technical, managerial, financial, and product strengths, which will enhance the companies' ability to expand their offerings and provide more advanced telecommunications services to a broader customer base. To date, Level 3 has operated primarily as a wholesale carrier, but Level 3 intends to use its acquisition of Broadwing Parent to expand further into the enterprise market. Applicants expect the Proposed Transaction will enable both Broadwing and Level 3 to strengthen their competitive positions to the benefit of U.S. consumers.

²³ See *id.*

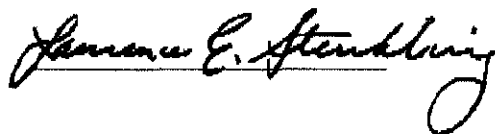
²⁴ See *id.*, § 63.03(b)(2)(i).

CONCLUSION

The Applicants respectfully request that the Commission grant this application for consent to transfer control of Broadwing's international Section 214 authorization and domestic common-carrier transmission lines to Level 3.

Respectfully submitted,

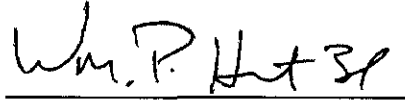
BROADWING CORPORATION
BROADWING COMMUNICATIONS, LLC

A handwritten signature in black ink, reading "Lawrence E. Strickling". The signature is written in a cursive style with a large, looping "L" and "S".

Lawrence E. Strickling
Chief Regulatory and
Chief Compliance Officer

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LEVEL 3 COMMUNICATIONS, LLC



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*Counsel for Broadwing Corporation,
Broadwing Communications, LLC, and
Level 3 Communications, LLC*

17 October 2006

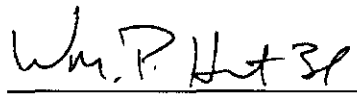
Attachments

CERTIFICATION

I, William P. Hunt, III, Vice President for Public Policy of Level 3 Communications, LLC (“Level 3”), hereby certify that:

1. Level 3 is affiliated with the following foreign carriers: (1) Level 3 Communications (Austria) Limited; (2) Level 3 Communications S.A. (Belgium); (3) Williams Communications Network, Inc. (Canada); (4) Level 3 Communications s.r.o. (Czech Republic); (5) Level 3 Communications (Denmark) Limited; (6) Level 3 Communications S.A.S. (France); (7) Level 3 Communications GmbH (Germany); (8) Level 3 Communications Ltd. (Ireland); (9) Level 3 Communications S.R.L. (Italy); (10) WilTel Communications K.K. (Japan); (11) Level 3 Communications B.V. (the Netherlands); (12) WilTel Communications (Cayman) Limited (Netherlands); (13) the Warsaw branch office of Level 3 Communications GmbH (Poland); (14) Level 3 Communications SLU (Spain); (15) Level 3 Communications A.B. (Sweden); (16) Level 3 Communications AG (Switzerland); (17) Level 3 Communications Limited (United Kingdom); and (18) Williams Communications UK Limited (collectively, “Level 3 Foreign Carrier Affiliates”). All of the Level 3 Foreign Carrier Affiliates are located in destination markets that are World Trade Organization Members. Following the consummation of the Proposed Transaction, Level 3 will also be affiliated with Broadwing Communications Canada, LLC (Canada).
2. Level 3 seeks to provide international telecommunications services from the United States to the destination countries listed in Paragraph (1) above in which an entity that owns more than 25 percent of, or controls, Level 3 controls a foreign carrier in that country, or will do so following consummation of the Proposed Transaction.

3. Level 3 has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.
4. Neither Level 3 nor any other party to this application, is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.



William P. Hunt, III
Vice President, Public Policy
LEVEL 3 COMMUNICATIONS, LLC
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Broomfield, Colorado 80021
+1 720 888 2516 tel

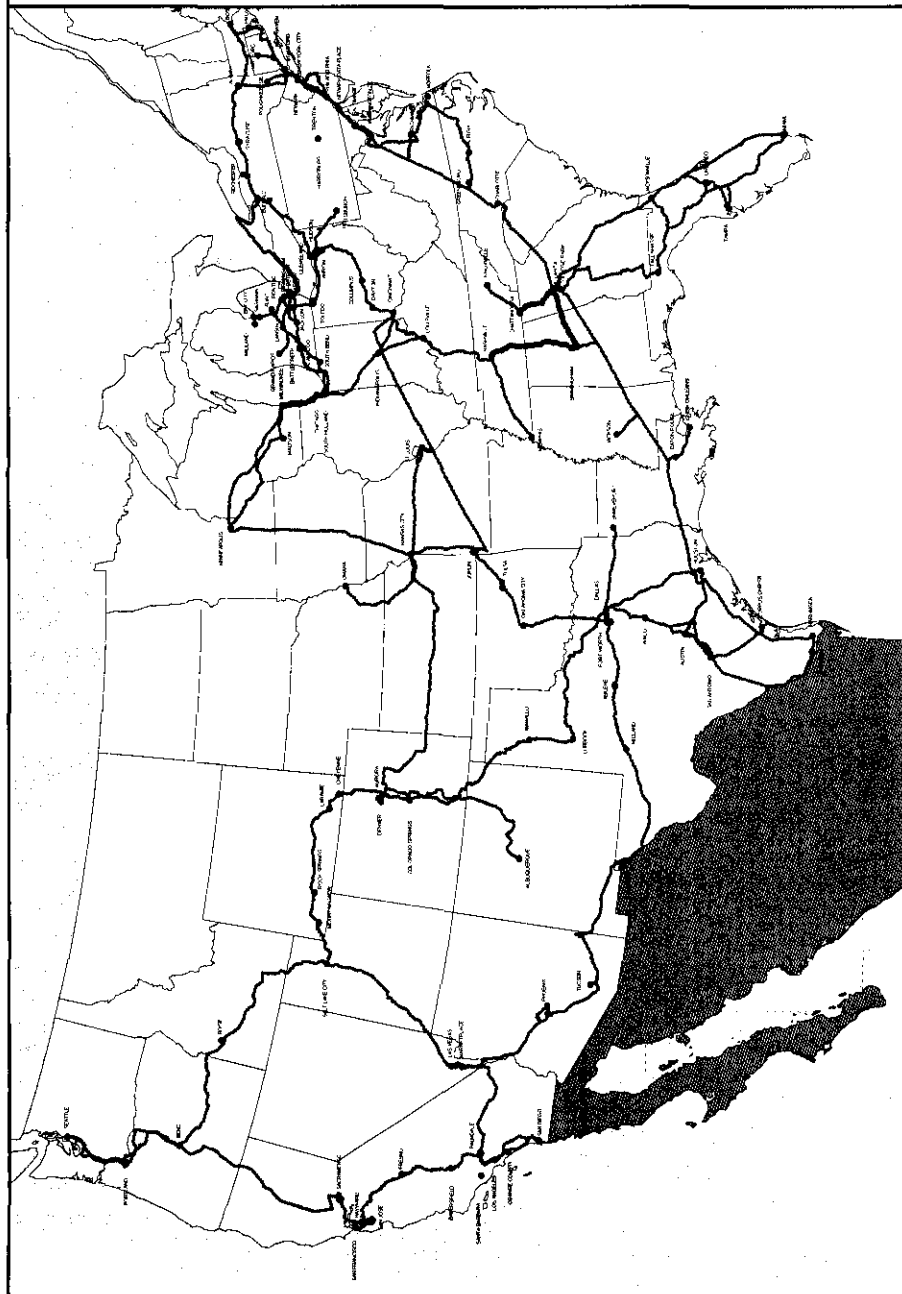
17 October 2006

LIST OF ATTACHMENTS

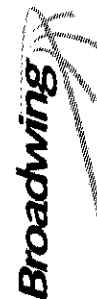
- Attachment A: Comprehensive Network Map for Broadwing Communications, LLC**
- Attachment B: Transport Network Map for Broadwing Communications, LLC**
- Attachment C: Pre-Transaction Organizational Structures of Level 3 Communications, Inc., Broadwing Corporation, and their Relevant Subsidiaries**
- Attachment D: Step 1 in the Acquisition of Broadwing Corporation by Level 3— Merger of Broadwing Corporation into Level 3 Services, LLC**
- Attachment E: Step 2 in the Acquisition of Broadwing Corporation by Level 3— Contribution of Membership Interest to Level 3 Financing, Inc.**
- Attachment F: Step 3 in the Acquisition of Broadwing Corporation by Level 3— Contribution of Membership Interest to Level 3 Communications, LLC**
- Attachment G: Post-Transaction Organizational Structures of the Relevant Parts of Level 3 Communications, Inc.**

ATTACHMENT A

BROADWING COMPREHENSIVE NETWORK

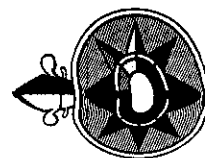









ABILENE, TX
AKRON, OH
ALBANY, NY
ALBUQUERQUE, NM
AMARILLO, TX
ANN ARBOR, MI
ATLANTA, GA
AURORA, CO
AUSTIN, TX
BAKERSFIELD, CA
BALTIMORE, MD
BIRMINGHAM, AL
BRATTLE CREEK, ME
BROOKLYN, NY
BIRMINGHAM, AL
BOISE, ID
BOSTON, MA
BUFFALO, NY
CHARLOTTE, NC
CHICAGO, IL
CHICAGO, IL
CHICAGO, IL
CINCINNATI, OH
CLEVELAND, OH
COLLEGE PARK, GA
COLORADO SPRINGS, CO
CORPUS CHRISTI, TX
DALLAS, TX
DAYTON, OH
DENVER, CO
DETROIT, MI
EL PASO, TX
FLINT, MI
FORT WORTH, TX
FRESNO, CA
GRAND RAPIDS, MI
GREENSBORO, NC
HAMBURG, PA
HARTFORD, CT
HAWTHORNE, NJ
HOUSTON, TX
HOUSTON, TX
INDIANAPOLIS, IN
JACKSON, MS
JACKSONVILLE, FL
JOPLIN, MO
KALAMAZOO, MI
KANSAAS CITY, MO
KANSAS CITY, MO
LAS VEGAS, NV
LOS ANGELES, CA
LOUISVILLE, KY
LUCK, TX

[illegible]

BROADWING NETWORK ROUTE

2006 Map Design by Jim Sedlachek

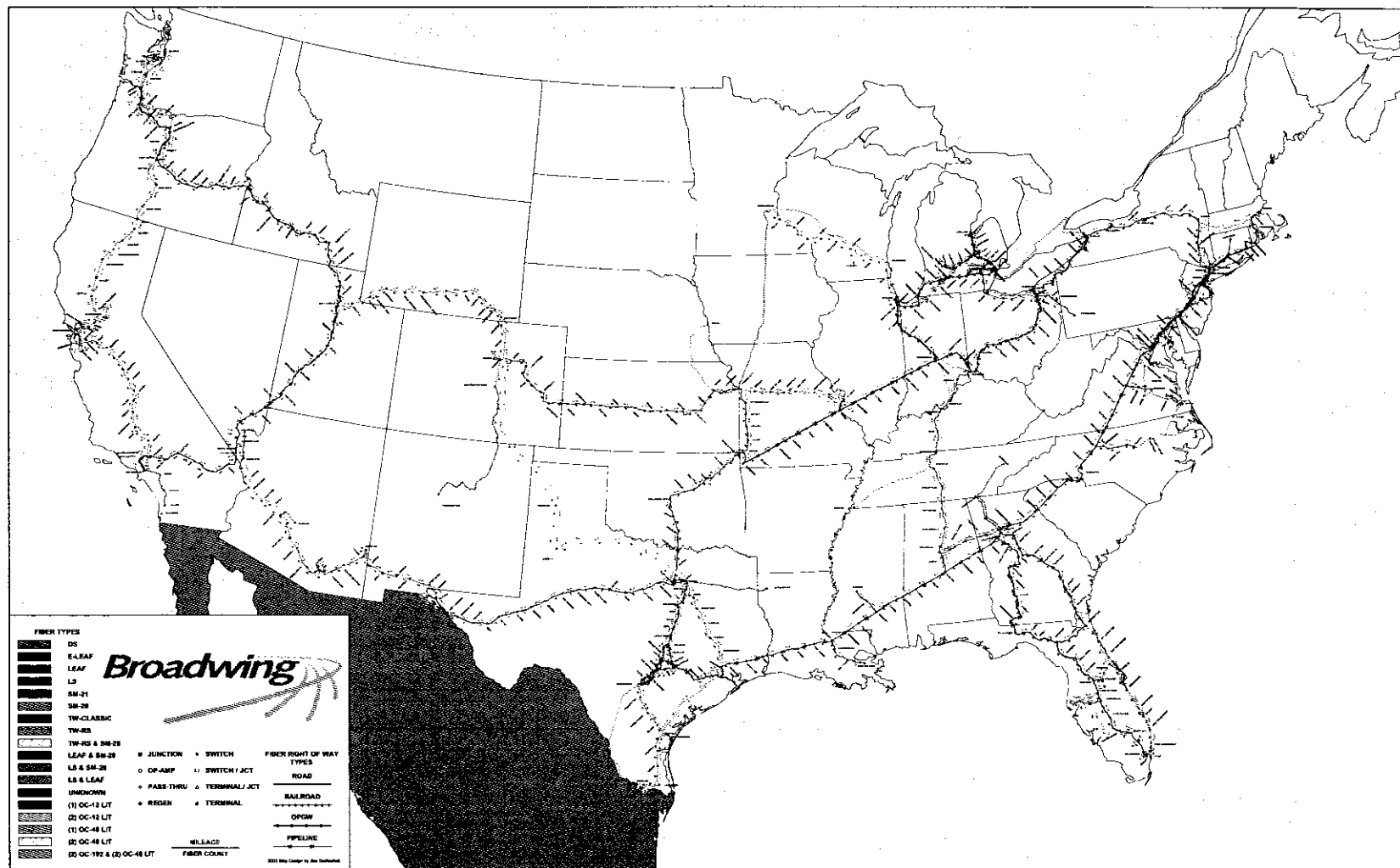


DSL ACCESS	ETHERNET ACCESS	FRAME RELAY / ATM ALCATEL 7470	FRAME RELAY / ATM ATCATEL 7470 & 7670	VIDEO SWITCHING HUB	MEDIA PRESENCE	LOCAL VOICE COVERAGE
						
				IP CORE SITE JUNIPER & CISCO ROUTERS	PUBLIC IP PEERING SITE	VOICE NETWORK OPERATE
				IP EDGE SITE CISCO ROUTER	PRIVATE IP PEERING SITE	VOICE SWITCH - DMS 250
				IP EDGE / AGGREGATE SITE JUNIPER & CISCO ROUTER	PUBLIC / PRIVATE IP PEERING SITE	VOICE SWITCH - DMS 500

BROADWING COMMUNICATIONS LLC - PROPRIETARY AND CONFIDENTIAL

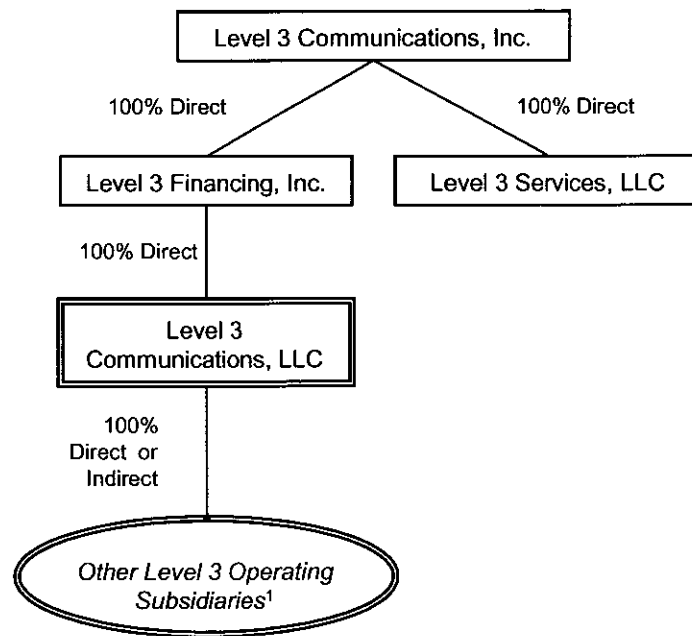
ATTACHMENT B

BROADWING TRANSPORT FIBER NETWORK

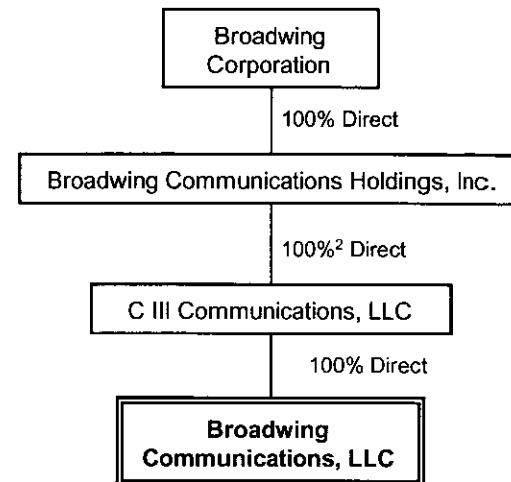


Attachment C

Pre-Transaction Organizational Structures of Level 3 Communications, Inc., Broadwing Corporation, and their Relevant Subsidiaries



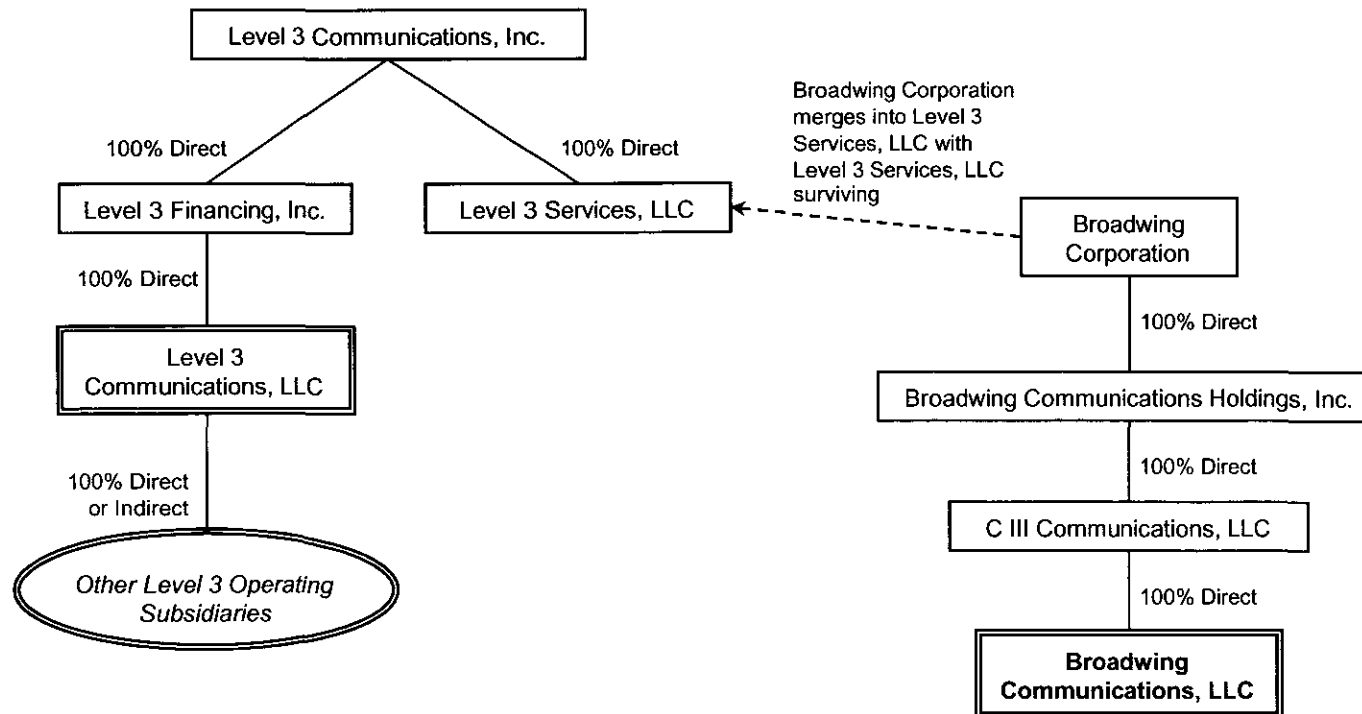
¹ The "Other Level 3 Operating Subsidiaries" include: (1) the WiTel operating companies, (2) Progress Telecom, LLC, (3) Looking Glass Networks, Inc. and Looking Glass Networks of Virginia, Inc., (4) ICG Telecom Group, Inc., and (5) the TelCove operating companies



² After signing the Agreement and prior to closing, the minority interest in C III Communications, LLC ("CIII") will be extinguished by (1) a merger between CIII and a merger subsidiary of Broadwing Communications Holdings, Inc., with CIII surviving or (2) the purchase of the minority interest by Broadwing Corporation.

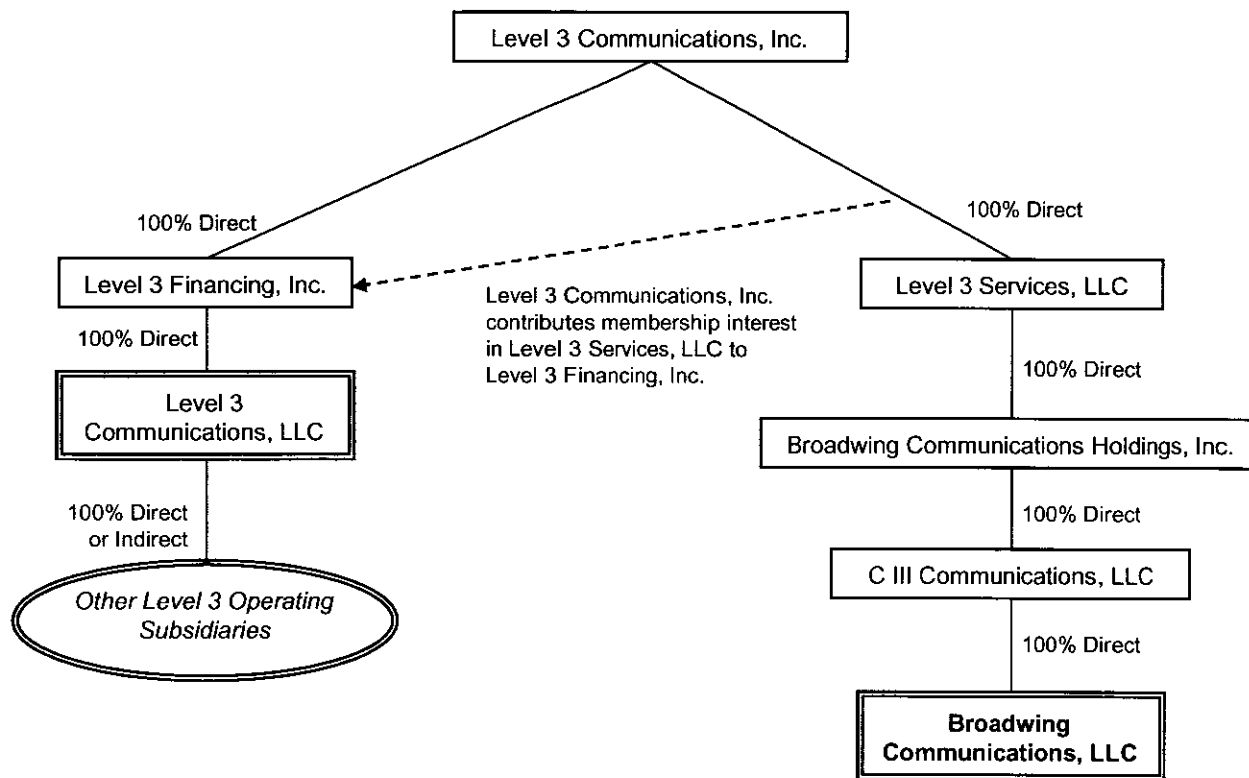
Attachment D

Step 1 in the Acquisition of Broadwing Corporation by Level 3: Merger of Broadwing Corporation into Level 3 Services, LLC



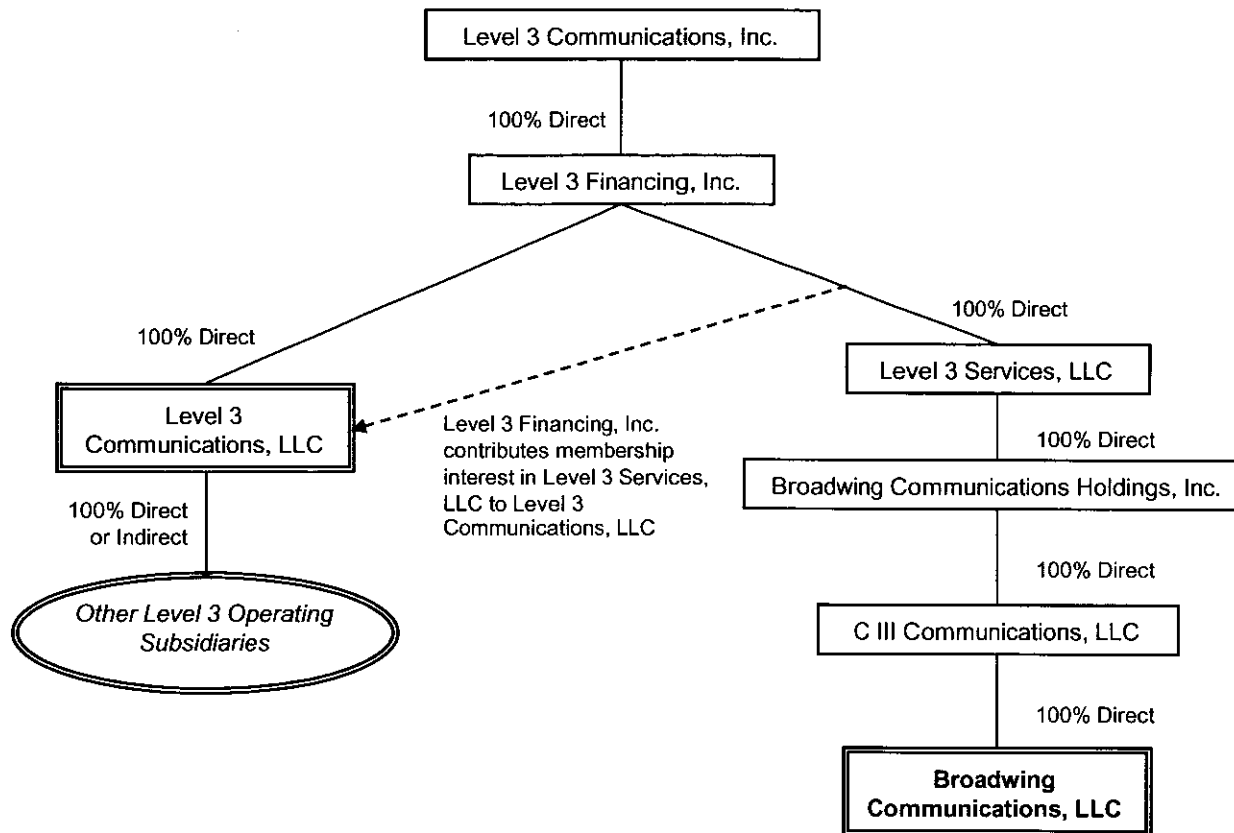
Attachment E

Step 2 in the Acquisition of Broadwing Corporation by Level 3: Contribution of Membership Interest to Level 3 Financing, Inc.



Attachment F

Step 3 in the Acquisition of Broadwing Corporation by Level 3: Contribution of Membership Interest to Level 3 Communications, LLC



Attachment G

Post-Transaction Organizational Structures of the Relevant Parts of Level 3 Communications, Inc.

